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Sec. 43.76.350. Two percent seafood development tax.

(a) A person holding a limited entry permit or interim-use permit under AS 16.43 shall pay a seafood development tax at the rate of two percent of the value, as defined in [AS 43.75.290](#), of fishery resources taken in a fishery that the person removes from the state or transfers to a buyer in the state.

(b) A two percent seafood development tax on fishery resources taken in a fishery may only be levied and collected under (a) of this section if

(1) the commissioner of commerce, community, and economic development has designated an organization to be the qualified regional seafood development association for the seafood development region in which the fishery occurs; and

(2) the two percent seafood development tax for the fishery is approved under [AS 43.76.370](#).

Sec. 43.76.355. One and one-half percent seafood development tax.

(a) A person holding a limited entry permit or interim-use permit under AS 16.43 shall pay a seafood development tax at the rate of 1.5 percent of the value, as defined in [AS 43.75.290](#), of fishery resources taken in a fishery that the person removes from the state or transfers to a buyer in the state.

(b) A 1.5 percent seafood development tax on fishery resources taken in a fishery may only be levied and collected under (a) of this section if

(1) the commissioner of commerce, community, and economic development has designated an organization to be the qualified regional seafood development association for the seafood development region in which the fishery occurs; and

(2) the 1.5 percent seafood development tax for the fishery is approved under [AS 43.76.370](#).

Sec. 43.76.360. One percent seafood development tax.

(a) A person holding a limited entry permit or interim-use permit under AS 16.43 shall pay a seafood development tax at the rate of one percent of the value, as defined in [AS 43.75.290](#), of fishery resources taken in a fishery that the person removes from the

state or transfers to a buyer in the state.

(b) A one percent seafood development tax on fishery resources taken in a fishery may only be levied and collected under (a) of this section if

(1) the commissioner of commerce, community, and economic development has designated an organization to be the qualified regional seafood development association for the seafood development region in which the fishery occurs; and

(2) the one percent seafood development tax for the fishery is approved under [AS 43.76.370](#).

Sec. 43.76.365. One-half percent seafood development tax.

(a) A person holding a limited entry permit or interim-use permit under AS 16.43 shall pay a seafood development tax at the rate of 0.5 percent of the value, as defined in [AS 43.75.290](#), of fishery resources taken in a fishery that the person removes from the state or transfers to a buyer in the state.

(b) A 0.5 percent seafood development tax on fishery resources taken in a fishery may only be levied or collected under (a) of this section if

(1) the commissioner of commerce, community, and economic development has designated an organization to be the qualified regional seafood development association for the seafood development region in which the fishery occurs; and

(2) the 0.5 percent seafood development tax for the fishery is approved under [AS 43.76.370](#).

Sec. 43.76.370. Election to approve, amend, or terminate seafood development tax.

(a) A qualified regional seafood development association for a seafood development region may conduct an election under this section to approve, amend, or terminate a seafood development tax in one or more fisheries in a seafood development region after

(1) the association pays a fee of \$500 for each fishery in which an election is held; and

(2) the commissioner of commerce, community, and economic development approves

(A) the notice to be published by the qualified regional seafood development

association;

(B) the ballot to be used in the election; and

(C) the registration and voting procedure for the approval, amendment, or termination of the seafood development tax.

(b) The seafood development tax is levied under [AS 43.76.350](#), 43.76.355, 43.76.360, or 43.76.365 on fishery resources taken in a fishery, or is amended or terminated, on the effective date stated on the ballot if

(1) the levy, amendment, or termination of the tax is approved by a majority vote of the eligible interim-use permit and entry permit holders in the fishery who vote in an election held under this section;

(2) at least 30 percent of the eligible interim-use permit and entry permit holders in the fishery cast a ballot in the election to levy, amend, or terminate the tax; and

(3) the election results are certified by the commissioner of commerce, community, and economic development under (d) of this section.

(c) In conducting an election under this section, the qualified regional seafood development association shall adopt the following procedures:

(1) the association shall hold at least one public meeting, not less than 30 days before the date on which ballots must be postmarked to be counted in the election, to explain the reason for the proposed seafood development tax, the amendment of the tax, or the termination of the tax and to explain the registration and voting procedure to be used in the election; the association shall provide notice of the meeting by

(A) mailing the notice to each eligible interim-use permit and entry permit holder;

(B) posting the notice in at least three public places in the seafood development region in which the fishery occurs; and

(C) publishing the notice in at least one newspaper of general circulation in the region at least once a week for two consecutive weeks before the meeting;

(2) the association shall mail two ballots to each eligible interim-use permit and entry permit holder; the first ballot shall be mailed not more than 45 days before the date ballots must be postmarked to be counted in the election; the second ballot shall be mailed not less than 15 days before the date ballots must be postmarked to be counted in the election; the association shall adopt procedures to ensure that only one ballot from

each eligible interim-use permit and entry permit holder is counted in the election;

(3) the ballot must

(A) indicate whether the election relates to a seafood development tax under [AS 43.76.350](#), 43.76.355, 43.76.360, or 43.76.365;

(B) indicate the fishery that is or will be subject to the seafood development tax to be levied or amended;

(C) ask the question whether the seafood development tax shall be levied or amended, as appropriate;

(D) indicate the geographic boundaries of the seafood development region in which the seafood development tax will be levied;

(E) provide an effective date for the levy or amendment of the seafood development tax in the fishery; and

(F) indicate the date on which returned ballots must be postmarked in order to be counted;

(4) the ballots shall be returned by mail and shall be counted by the commissioner of commerce, community, and economic development or by a person approved by the commissioner of commerce, community, and economic development.

(d) The commissioner of commerce, community, and economic development shall certify the results of an election under this section if the commissioner determines that the requirements of (a) - (c) of this section have been satisfied.

(e) The rate of the seafood development tax levied in a seafood development region shall be uniform for all fisheries and fishery resources in the region.

(f) If a seafood development tax has not been levied on a fishery resource in a seafood development region, the initial tax levied in any fishery in the region may be set at a rate set under AS 43.76.350, 43.76.355, 43.76.360, or 43.76.365 in accordance with procedures set out in this section. If a seafood development tax is currently levied on fishery resources in any fishery in a seafood development region, an election to approve the initial levy of a seafood development tax in another fishery in the region shall be for a levy of the tax at the current rate in the region. The election to approve the levy of a seafood development tax within a fishery shall be conducted among the eligible interim-use permit and entry permit holders in the fishery.

(g) An election to amend the current rate of the seafood development tax within a seafood development region shall be conducted among the eligible interim-use permit holders and entry permit holders in each fishery within the region that has approved the levy of the tax under this section. In an election to amend the current rate of the seafood development tax within a region, a person shall receive, and may cast and have counted, a separate ballot for each fishery in the seafood development region that is subject to the tax for which the person is an eligible interim-use permit or entry permit holder.

(h) Except as provided in [AS 43.76.375](#), an election to terminate a seafood development tax within one or more fisheries in a seafood development region shall be conducted under the same procedures established under (a) - (d) of this section for an election to approve or amend a seafood development tax.

(i) In this section, "eligible interim-use permit and entry permit holder" means an individual who, 90 days before the date ballots must be postmarked to be counted in an election under this section, is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner of an interim-use permit or an entry permit that authorizes the individual to operate commercial fishing gear in the fishery that is or will be subject to the seafood development tax that is the subject of the election.

Sec. 43.76.375. Termination of seafood development tax.

(a) The seafood development tax levied under [AS 43.76.350](#), 43.76.355, 43.76.360, or 43.76.365 may be terminated by the commissioner of revenue upon majority vote of eligible permit holders who vote in an election held under [AS 43.76.370](#) in which at least 30 percent of the eligible permit holders cast a ballot. The seafood development tax may be terminated in one or more fisheries within a seafood development region under this section.

(b) The commissioner of revenue shall terminate a seafood development tax under (a) of this section following an election conducted by the qualified seafood development association for the seafood development region if

(1) a petition is presented to the commissioner of commerce, community, and economic development requesting termination of the seafood development tax in a fishery that is signed by at least 10 percent of the number of persons who are eligible to vote in an election under [AS 43.76.370](#) to approve the levy of the seafood development tax in the fishery;

(2) an election is held in accordance with [AS 43.76.370](#); the ballot must ask the question whether the seafood development tax for the fishery shall be terminated; the ballot must be worded so that a "yes" vote is for continuation of the seafood development tax and a "no" vote is for termination of the seafood development tax;

(3) a majority of the votes cast in the election by eligible interim-use permit and entry permit holders are for the termination of the seafood development tax;

(4) at least 30 percent of the permit holders who are eligible to vote in the election cast a ballot in the election; and

(5) the qualified regional seafood development association for the fishery provides notice of the election in accordance with [AS 43.76.370](#) within two months after receiving notice from the commissioner of commerce, community, and economic development that a valid petition under (1) of this subsection has been received.

Sec. 43.76.380. Liability for tax on fishery resources sold to a buyer.

(a) Except as provided under (c) of this section, a buyer who acquires a fishery resource that is subject to a seafood development tax levied under [AS 43.76.350](#), 43.76.355, 43.76.360, or 43.76.365 shall collect the seafood development tax at the time of purchase, and shall remit the total tax collected during each month to the department by the last day of the next month.

(b) A buyer who collects the seafood development tax shall

(1) maintain records reflecting the fishery in which the fishery resource was caught; and

(2) report to the Department of Revenue by March 1 of each year the total value, as defined in [AS 43.75.290](#), of the fishery resources caught in each fishery that the buyer has acquired during the preceding year.

(c) A commercial fisherman who transfers possession of a fishery resource to a buyer who is not a fisheries business licensed under AS 43.75 is liable for the payment of a seafood development tax levied under [AS 43.76.350](#), 43.76.355, 43.76.360, or 43.76.365 if, at the time possession of the fishery resource is transferred to a buyer, the seafood development tax payable on the fishery resource has not been collected. If a commercial fisherman is liable for payment of the seafood development tax under this subsection, the commercial fisherman shall comply with the requirements under (b) of this section to maintain records and to make reports to the Department of Revenue. Notwithstanding (a) of this section, a person subject to this subsection shall remit the total seafood development tax payable during the calendar year to the Department of Revenue before April 1 after close of the calendar year.

(d) The Department of Revenue shall deposit the seafood development tax collected under [AS 43.76.350](#) - 43.76.399 in the general fund. The legislature may make

appropriations based on this revenue to the Department of Commerce, Community, and Economic Development for the purpose of providing financing for qualified regional seafood development associations.

Sec. 43.76.385. Liability for tax on fishery resources shipped from the state.

(a) The owner of fishery resources removed from the state is liable for payment of a seafood development tax levied under AS 43.76.350, 43.76.355, 43.76.360, or 43.76.365 if, at the time the fishery resources are removed from the state, the seafood development tax payable on the fishery resources has not been collected by a buyer.

(b) If the owner of fishery resources is liable for payment of the seafood development tax under (a) of this section, the owner shall comply with the requirement of [AS 43.76.380](#) (b) to report the owner's liability for payment of the tax.

Sec. 43.76.390. Exemption.

[AS 43.76.350](#) - 43.76.399 do not apply to salmon harvested under a special harvest area entry permit issued under [AS 16.43.400](#).

Sec. 43.76.399. Definitions.

In [AS 43.76.350](#) - 43.76.399, unless the context otherwise requires,

(1) "buyer" means a person who acquires possession of fishery resources from the person who caught the fishery resources regardless of whether there is an actual sale of the fishery resources but excluding a transfer to a person engaged solely in interstate transportation of goods for hire;

(2) "fishery" has the meaning given in [AS 16.43.990](#);

(3) "qualified regional seafood development association" means an association designated as qualified under [AS 44.33.065](#) (a);

(4) "seafood development region" means a region established under AS 44.33.065 (b).

Chapter 43.77. FISHERY RESOURCE LANDING TAX

Sec. 43.77.010. Landing tax.

A person who engages or attempts to engage in a floating fisheries business in the state

and who owns a fishery resource that is not subject to AS 43.75 but that is brought into the jurisdiction of, and first landed in, this state is liable for and shall pay a landing tax on the value of the fishery resource. The amount of the landing tax is

(1) for a developing commercial fish species, as defined under AS 43.75.290, one percent of the value of the fishery resource at the place of landing;

(2) for a fish species other than a developing commercial fish species, three percent of the value of the fishery resource at the place of the landing.

Sec. 43.77.015. Obligations and payments under fishery cooperative contracts.

(a) The department shall deposit a payment made to the state under a contract subject to sec. 210(f), American Fisheries Act, P.L. 105-277, into the separate account established under [AS 43.77.050](#) (b).

(b) An obligation imposed by a contract subject to sec. 210(f), American Fisheries Act, P.L. 105-277, shall be treated as if it were a tax under this chapter for purposes of [AS 43.77.020](#). A payment made to satisfy the obligation imposed by the contract shall be treated as if it were tax revenue collected under this chapter for purposes of AS 43.77.060.

Sec. 43.77.020. Filing return and payment of tax.

(a) A person subject to the tax under this chapter shall file a return stating the value of fishery resources landed in the state that are subject to the tax, the point of landing of the fishery resource, and other information the department requires by regulation.

(b) The return shall be made on the basis of the calendar year and is due before April 1 after the close of the calendar year, and any unpaid tax shall be paid with the return.

(c) The department may, under regulations it adopts, grant a reasonable extension of time for the filing. A grant of an extension of time for filing does not extend the time for payment of the tax.

(d) A person subject to the tax under this chapter shall make quarterly payments of the tax estimated to be due for the year, as required under regulations adopted by the department. A taxpayer will be subject to an estimated tax penalty, determined by applying the interest rate specified in [AS 43.05.225](#) to the underpayment for each quarter, unless the taxpayer makes estimated tax payments in equal installments that total either

(1) at least 90 percent of the taxpayer's tax liability under this chapter for the tax year; or

(2) at least 100 percent of the taxpayer's tax liability under this chapter for the prior tax year.

Sec. 43.77.030. Credit for other taxes paid.

The department shall grant a credit, not to exceed the taxpayer's liability for the tax under this chapter on a fishery resource, to a taxpayer for taxes equivalent in nature to those imposed under AS 43.75 and AS 43.76 that are paid to another jurisdiction in which the fishery resource was either caught, processed, or sold.

Sec. 43.77.035. Tax credit for scholarship contributions.

(a) A fisheries business is entitled to a credit of not more than five percent of the landing tax liability under [AS 43.77.010](#) for contributions made during the tax year to the A. W. "Winn" Brindle memorial education loan account under [AS 14.43.250](#). A tax credit under this section may not be approved for more than 100 percent of an education loan contribution.

(b) The department may not approve a tax credit under this section if the fisheries business claiming the credit is in arrears in the payment of the landing tax under [AS 43.77.010](#). For purposes of this subsection, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(c) The department shall prepare an application form for a credit under this section.

(d) The department shall approve or disapprove an application for a credit under this section not later than 60 days after receiving the application.

Sec. 43.77.040. Credit for approved contributions.

(a) A taxpayer who harvests a fishery resource under the provisions of a community development quota may claim as a credit, against not more than 45.45 percent of the tax under this chapter that is due on the value of the fishery resource harvested under the community development quota, the taxpayer's contributions made during the tax year to a nonprofit corporation incorporated under the laws of the state that are used by the recipient for one or more of the following purposes:

(1) scholarships for study in the state in the disciplines of fisheries management, fisheries business administration, or another related course or discipline;

(2) training in the state for employment in the seafood industry;

(3) making contributions of capital, in the form of loans or grants, to construct or

improve

(A) transportation facilities in the state such as airports and docks that are used for the unloading, transferring, or shipment of fisheries products; or

(B) facilities in the state at which fisheries products are canned, frozen, or otherwise processed for inventory, including floating facilities that are documented under the laws of the United States as defined in 46 U.S.C. App. 801;

(4) awarding grants for research projects relating to Alaska fisheries.

(b) A taxpayer who makes a contribution that qualifies for the credit authorized by (a) of this section must apply to obtain the credit. The taxpayer shall apply to the department in the manner provided by the department by regulation, and shall provide to the commissioner all information relating to the contribution that may be required by the department. Upon receipt of a complete application, the department, in consultation with the Department of Commerce, Community, and Economic Development, shall approve or disapprove the application for the credit within 60 days.

(c) The department shall revoke a prior approval of a tax credit and may not allow a tax credit under this section if (1) the department determines that the contribution does not qualify under (a) of this section; or (2) the taxpayer claiming the credit is in arrears in the payment of a tax levied in this title. For purposes of this subsection, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(d) A contribution allowed as a credit under this section may not be claimed as a credit under another provision of this title.

Sec. 43.77.045. Fisheries resource landing tax education credit.

(a) In addition to the credit allowed under [AS 43.77.040](#), for cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two- year or four-year college accredited by a regional accreditation association, a person engaged in a floating fisheries business is allowed as a credit against the tax due under this chapter

(1) 50 percent of contributions of not more than \$100,000; and

(2) 100 percent of the next \$100,000 of contributions.

(b) Each public college and university shall include in its annual operating budget request contributions received and how the contributions were used.

(c) A contribution claimed as a credit under this section may not

(1) be claimed as a credit under another provision of this title; and

(2) when combined with credits taken during the taxpayer's tax year under [AS 21.89.070](#), 21.89.075, [AS 43.20.014](#), [AS 43.55.019](#), AS 43.56.018, [AS 43.65.018](#), or [AS 43.75.018](#), exceed \$150,000.

*Sec. 43.77.046. Alaska veterans' memorial endowment fund contribution credit.
[Repealed, Sec. 25 ch 46 SLA 2002].*

Repealed or Renumbered

Sec. 43.77.050. Separate accounting.

(a) *[Repealed, Sec. 28 ch 81 SLA 1996].*

(b) The tax collected under this chapter shall be paid into a separate account in the general fund. The annual balance in the account may be appropriated by the legislature for revenue sharing under AS 43.77.060. The amount of all tax credits approved by the commissioner under [AS 43.77.040](#) (b) shall be deducted from amounts paid to municipalities under [AS 43.77.060](#) (a) - (c).



Title 43. REVENUE AND TAXATION
Chapter 43.76. FISHERIES TAXES AND ASSESSMENTS